



Senior Level Steering Group Senior Assessment Team



FY 2010, 2nd Quarter Meeting
Thursday, January 14, 2010
1300-1400
Pentagon Conference Center, B2



Agenda

- DODI 5010.40/AR 11-2
- ARRA Quarterly Requirements
- Pilot SOA Tool
- MICP VTC
- FY 10 Schedule of Upcoming Events
- FY 10 Milestones Schedule for Material Weaknesses



DODI 5010.40

- Three major changes:
 - (1) Additional requirement for DoD component heads (providing stand alone financial statements) to report an explicit level of assurance over integrated financial systems
 - Will establish a third category of assurance and an additional section of material weakness reporting – now three distinct processes:
 - Internal Controls Over Nonfinancial Operations (ICONO)
 - Internal Controls Over Financial Reporting (ICOFR)
 - Internal Controls Over Financial Systems (ICOFS)
 - (2) Requires MICP Administrator be appointed by assessable unit (AU) manager for every AU
 - (3) Requires Senior Assessment Teams (SATs) to update charters to add a new requirement for overseeing performance and risk management of all DoD



DODI 5010.40

- Approval is imminent
- Internal Controls over Financial Systems
 - Two existing MW on financial systems reported in ICOFR will be moved to ICOFS
 - Requirement to conduct assessments and report results annually in the SOA
 - OSD guidance is in development



AR 11-2

- Posted to publishing page on AKO
- Regulation dated 4 Jan 2010, effective 4 Feb 2010



ARRA

- Risk Assessment/Gap Analysis and Risk Profile Quarterly Requirements
 - After initial submission of deliverables – only updates are needed
 - Submitted 1st quarter 2010 report on 17 Dec. (Report due NLT 31 Dec)
 - 2nd quarter due 31 Mar to OSD, input due to ASA FMC FO 8 Mar



ARRA

- Tricare Management Agency (TMA) identified a material weakness with TAFS 97-0501 (used for 3 TMA hospital projects)
 - TAFS 97-0501 executors had difficulty reconciling fund balance with treasury (FBWT) as this TAFS was also used for ECIP projects at several other DoD agencies (Treasury does not provide reconciliation data by limit)
 - TMA developed risk mitigation strategy
 - Work with OUSD(C) to identify by limit all the DoD entities which execute ECIP and appropriate POC's for each entity. Completed 1st quarter FY 2010
 - In consultation with OUSD(C), develop consensus on reconciliation tool with all parties who execute TAFS 97- 0501. Completed 1st quarter FY 2010, through conference call on Dec 8 with all agencies executing 97-0501. Resulted in development of reconciliation procedure
 - TMA executes reconciliation in consultation with all other parties receiving TAFS 97-0501 funds. (Conference call planned for second half of Jan 2010) Address suspense items as required. (2nd quarter FY 2010)
 - Process defined and sustained for Q2 FY 2010. (3rd quarter FY 2010)



Pilot SOA Tool/MICP VTC

- Army is testing an automated tool developed by the Navy for submission the annual statement of assurance and tracking of material weaknesses
 - Two Army organizations (ASA (ALT) and G-4) with material weaknesses are the first to test
- MICP VTC was conducted on 7 Jan with Internal Control Administrators Army wide.
 - Agenda included updates on AR 11-2, DODI 5010.40, FY2010 Annual Statement guidance, SLSG, training initiatives, Navy statement of assurance tool and program accomplishments



FY10 Completed Events

	DATE	EVENT	OPR
	Thursday, October 29, 2009	1Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
	Monday - Tuesday November 23-24	OSD FY10 MICP Training Conference (Navy Yard)	OSD-Comptroller
	Thursday, December 17, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
	Friday, December 18, 2009	SAT Memorandum, SAT Membership and Charter, Organization Chart, Ethics Policy, Process Flows and Narratives	SAFM-FO
	Thursday, January 7, 2010	MICP VTC	SAFM-FO



FY10 Schedule of Upcoming Events

	DATE	EVENT	OPR
	Thursday, January 14, 2010	2Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
	Tuesday, March 02, 2010	SAT Memorandum, Risk Assessment, Federal Information Security Management Act (FISMA) Report, and List of Auditor Identified Weaknesses	SAFM-FO
	Monday, March 08, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO
	Thursday, April 22, 2010	3Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
	Monday, May 03, 2010	SAT Memorandum and Test Plans	SAFM-FO
	Friday, May 14, 2010	Annual statements from Army Commands (ACOMs), Army Service Component Commands (ASCCs) and Direct Reporting Units (DRUs) due to OASA (FM&C)	Commands
	Monday, May 31, 2010	Annual statements from HQDA Principals due to OASA (FM&C)	HQDA Principal Staff
	Monday, June 07, 2010	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO



FY10 Schedule of Upcoming Events

DATE	EVENT	OPR
Friday, June 25, 2010	Draft Army statement delivered to HQDA staff agencies for coordination	SAFM-FO
Friday, July 09, 2010	HQDA staff agency comments on draft Army statement due to OASA (FM&C)	HQDA Principal Staff
Monday, July 15, 2010	SAT Memorandum that provides Assurance, ICOFR SOA Tabs, and Control Assessments	SAFM-FO
Thursday, July 15, 2010	4Q Senior Level Steering Group (SLSG)/ Senior Assessment Team (SAT)	SLSG
Wednesday, August 18, 2010	Final signed Army statement delivered to the Secretary of Defense	SAFM-FO
Tuesday, September 07	ARRA Risk Assessment/Gap Analysis, Risk Profile and Risk Mitigation Strategy quarterly report updates	SAFM-FO



Oversight of Service Contracts

Description: Inadequate oversight. Corrective Measures focus on training, appointment of Contracting Officers Representatives (CORs), preparation of plans and conduct of surveillance.

Date	Task Description	OPR	Status
3rd Qtr. FY10	AR 70-13 on Management and Oversight of Service Contracts	ASA(ALT)	<ul style="list-style-type: none">•Awaiting Army Publishing to publish document.• Issuing Chief of Staff of the Army memo to ensure compliance by all of the Army. Memo currently in staffing.• FY09 data reviewed with unsatisfactory results. Meeting with DASA (P) to discuss means to ensure compliance is met.• Compliance levels still greater than 5% noncompliant. Four areas range from 7% to 18% noncompliance .•Commence 2nd Qtr. FY10 (Originally scheduled for 2QFY10. Attempted to move start to 1QFY10 but AAA was not able to accommodate as was thought at time of last SLSCG update.) ASA(FM&C)'s concerns regarding timing were conveyed to AAA. AAA recommends not to initiate audit until have evidence of progress.
2nd Qtr. FY10	Leadership Focus Message	ASA(ALT)	
2nd Qtr. FY10	Contracting Office Compliance Reviews	ASA(ALT)	
2nd Qtr. FY10	Assess compliance review completion. If ready, then start audit	ASA(ALT)	
3rd Qtr. FY10	Assess compliance review completion. If ready, then start audit. If not, rebaseline material weakness milestone schedule.		
Targeted Correction Date: 4Q, FY10			



Expeditionary Contracting



Description: The Army's acquisition workforce is not adequately staffed, trained, structured, or empowered to meet the Army needs. The contracting process is not treated as a core competency. Audit reports conclude that internal controls to mitigate risks in the contracting process are ineffective or nonexistent.

Date	Task Description	OPR	Status
3 rd Qtr. FY 09	Conduct Unit Self Inspection utilizing the Management Control Evaluation Checklist	ASA(ALT)	Done. The AFARS has been rewritten and Appendix BB now includes internal control checklists for use by units. Conducted representative unit sample in March 09 to validate checklist.
2 nd - 4 th Qtr. FY 10	Procurement Management Review (PMR)/Independent AMCIR Review for compliance with procedures and internal controls, and reports management control review results.	ASA(ALT)	On track. Coordinating with AMCIR on the FY10 PMR schedule.
2 nd Qtr. FY 10	AAA audit being requested.	ASA(ALT)	Request to be initiated Jan 10
4 th Qtr FY 10	AAA validates PMR review results for CENTCOM AOR, and issue report no later than end of 4 th Qtr FY10.	AAA	Still on track for closure in 2 nd Qtr. FY11.
1 st Qtr. FY 10	Raised to OSD level. Begin coordinated actions and define way forward.	ASA(ALT)	In process of contacting OSD POC .
1 st Qtr FY 10	DASA(P) member of multi-service Operational Theater Business Support working group.	ASA(ALT)	Ongoing
Targeted Correction Date: 20,			
Army Contracting: One Community Serving Our Soldiers			



Reporting of New Equipment In-Transit

Description: The U.S. Army lacks management controls to adequately monitor the shipment and receipt of equipment through the Supply System resulting in unreliable data on the value reported on the U.S. Army's financial statements. This error makes it difficult to gain visibility over the total number of major items, determine maintenance requirements, and redistribute equipment. The weakness was restructured in 2008 to address just Total Package Fielding (TPF) transactions to track equipment in-transit from the Program Management office to the unit.

Date	Task Description	OPR	Status
January 2008	USAAA Closed the Financial Reporting of Equipment In-Transit Audit Report AA 96-156 Material Weakness and DA-G4 Re-scoped a New Material Weakness to Focus on Total Package Fielding In-Transits		Background
4 TH Qtr, FY08			Background
2nd Qtr, FY 09	Developed Flowchart Detailing Equipment In-Transit Process; Revised AR 710-2 to Include Metrics for Closeout of In-Transit Records; Modified Command Supply Discipline Program Checklist to Include the Metrics	G-4	Complete
2nd Qtr, FY10	Process retesting (Tollgate Control - Transition Brief: 19 October 09) APR 09 Submitted ECP for PBUSE to pull D6S (Receipt Documents); Converted to DRA and Inputted into DAS to Feed CCSS to Close Open Transactions; Actions Being Input into LMP to Ensure Closure of In-Transit Transactions. Initial Pilot Test Results Show an Improvement From 16% Closure Rates to 90% Closure Rates.	G-4	On track
	Request USAAA Validation and Closure Following Tollgate Review		



Logistics Asset Visibility and Accountability



Description: DOD does not have adequate visibility over all equipment and supplies transported to, within, and from the theaters of operations in support of OIF.

Date	Task Description	OPR	Status
Jul 04	RE: GAO letter dated 18 DEC 03, Subject: Defense Logistics Observation on the Effectiveness of Logistics Activities During OIF, (GAO-04-305R)	Army G-4	
	DOD memorandum, dated 30 Jul 04, mandated the use of active Radio Frequency Identification (RFID) tags on all container shipments	DUSD	Completed
FY 04 - present	Installation of RF ITV infrastructure; RFID read/write sites (currently over 8K)	PM J-AIT/ArmyG4	Completed
	-Established RF ITV Server (National, Europe, SWA, Pacific) to track assets	PM J-AIT/ArmyG4 Army G4	Completed Completed
Jan 06	-RFID integrated into Standard Army Retail Supply System (SARSS) -Fielding of TC AIM II, PBUSE, Portable Deployment Kits/Movement Tracking System Plus to read/write active RFID tags	Army G4 CENTCOM J4	Completed Completed
Mar 07/Aug 08	CENTCOM regulation 700-4, Subject: Logistics Automatic Identification Technology and ITV, dated 23 Jan 06	Army G4	Completed
Feb 09	Army published AR 56-4, Distribution of Materiel and Distribution Platform Management, dated Mar 07. Army In-Transit Visibility, dated Aug 08	Army G4	Open
Mar 09	On 5 Feb 09 Army G4 Directorate (DALO-FPDZ) requested AAA (SAAG-ALZ) validate corrective actions and close the materiel weakness.	Army G4	
	CENTCOM/ARCENT and Army G4 published message/guidance of using and attaching Container Intrusion Detection Device (CIDD) active RFID tags on unit move containers deploying/redeploying from AOR.		
Targeted Correction Date: 4Q, FY11			
<u>Above policy, technology, training, and information provides adequate visibility and accountability of Army' materiel.</u>			



Material Weaknesses – Internal Controls Over Financial Reporting (ICOFR)

- Army reported 22 material weaknesses related to financial reporting for both General Fund (GF) and Army Working Capital Fund (AWCF) in its FY09 SOA.
- These weaknesses transcend nearly every business process in the Army and manifest themselves in the financial statements.
- The Army's financial improvement plan (FIP) guides the actions necessary to correct these weaknesses.
- Functional proponents should develop tactical plans to support the Army FIP.



FY09 Auditor Identified Weaknesses

- Financial Management Systems
- Fund Balance with Treasury
- Accounts Receivable
- Inventory
- Operating Materials and Supplies
- General Property, Plant, and Equipment
- Accounts Payable
- Environmental Liabilities
- Statement of Net Cost
- Intragovernmental Eliminations
- Abnormal Account Balances
- Accounting Adjustments
- Statement of Budgetary Resources
- Reconciliation of Net Cost of Operations to Budget
- Contingency Payment Audit Trails



*Financial Management Systems (GF and AWCF)

Description: Army accounting systems lack a single, standard transaction-driven general ledger

Date	Task Description	OPR	Status
Completed (9/30/2009)	• Conduct FFMIA substantial compliance attestation and provide report on the system compliance status for GFEBS Release 1.2 (Army Other FIP, WBS 3.6.4.2.5)	AAA	•Due to lack of resources testing for release 1.2 was merged into testing for 1.3. AAA issued report A-2009-0231-FFM on 30 September 2009 covering 1.2 requirements testing. Report indicated 99 of the 128 Release 1.2 requirements have yet to provide AAA with a compliance strategy; awaiting clarification on the remaining 28 requirements.
Completed (9/30/2009)	•Conduct FFMIA substantial compliance attestation and provide report on the system compliance status for GFEBS Release 1.3 (Army Other FIP, WBS 3.6.4.3.5)	AAA	•Final release 1.3 FFMIA audit A-2009-0231-FFM (including recommended corrective actions) was issued 30 September 2009. Report indicated reliable evidence to support 1.3 FFMIA test results. AAA did not observe the movement of data through GFEBS. 14 requirements were pushed to release 1.4.
	Targeted Correction Date: 2Q, FY14		



Fund Balance with Treasury (GF)

Description: Appropriation balances recorded in the accounting records do not agree with balances held at Treasury.

Date	Task Description	OPR	Status
1 st Qtr. FY14	<ul style="list-style-type: none">Implement sustainable process to report Fund Balance with Treasury (FBWT) to include the reconciliation between the Army's balance and the balance at the Department of the Treasury (Army FBWT-GF FIP, WBS 3.1.2) Targeted Correction Date: 3Q, FY14	DFAS	<ul style="list-style-type: none">DFAS is currently in Phase III of preparation for the assertion (Review, Update and Create Documents)



Inventory (AWCF)

Description: The systems do not maintain historical cost data to comply with Statement of Federal Financial Accounting Standard No. 3. The systems also are unable to produce financial transactions using USSGL.

Date	Task Description	OPR	Status
4 th Qtr. FY10	•Re-validate that installations are correctly performing physical inventory counts in accordance with AR 740-26 and other applicable guidance (Army Inventory FIP, WBS 3.1.9.3)	AMC	•Awaiting verification from AMC G-3 to determine whether physical inventory reconciliations are occurring.
1 st Qtr. FY11	Value inventory at Moving Average Cost (MAC) for Depot Maintenance (Army Inventory FIP, WBS 3.1.2.1)	AMC	•LMP deployed to AMCOM on 5/14/09. Date pushed back to align with LMP FOC date. LMP is currently at 61% deployment.
1 st Qtr. FY11	Monitor & achieve 100% visibility of inventory in-transit (Army Inventory FIP, WBS 3.1.4.1)	PEO-EIS	•LMP deployed to AMCOM on 5/14/09. Date pushed back to align with LMP FOC date. LMP is currently at 61% deployment.
1 st Qtr. FY11	Reconcile over-aged inventory in-transit (Army Inventory FIP, WBS 3.1.4.2)	AMC	•LMP deployed to AMCOM on 5/14/09. Date pushed back to align with LMP FOC date. LMP is currently at 61% deployment.
	Targeted Correction Date: 2Q, FY15		•LMP deployed to AMCOM on 5/14/09. Date pushed back to align with LMP FOC date. LMP is currently at 61% deployment.



Operating Materials and Supplies (GF)

Description: The systems do not maintain historical cost data to comply with Statement of Federal Financial Accounting Standard No. 3. The systems also are unable to produce financial transactions using USSGL.

Date	Task Description	OPR	Status
4 th Qtr. FY10	•Provide audit readiness validation plan (Inventory and Related Property) to OASA(FM&C) (Army OM&S FIP, WBS 1.7.3)	G-4	• G-4 personnel turnover has resulted in significant issues pertaining to the progress of the audit readiness validation plan. New resources engaged as of 1 Oct 2009.
4 th Qtr. FY10	•Perform physical inventory counts in accordance with the AR 740-26 and other applicable guidance (Army OM&S FIP, WBS 3.1.1.5)	AMC	
4 th Qtr. FY10	•Ensure adherence to governance requirements for field level physical inventory process. (Army OM&S FIP, WBS 3.1.1.6)	AMC	
4 th Qtr. FY10	•Reconcile and monitor in-transit OM&S in LMP (Army OM&S FIP, WBS 3.1.12.4)	PEO-EIS	
4 th Qtr. FY10	•Record a 100% revaluation allowance on OM&S received for disposal and post transactions to the excess accounts (USSGL 1513 or 1524) at MAC in LMP (Army OM&S FIP, WBS 3.1.14.1)	DFAS	
Targeted Correction Date: 2Q, FY15			



General PP&E (GF and AWCF)

Description: Data contained in property accountability systems is not accurate.

Date	Task Description	OPR	Status
2 nd Qtr FY 09 4 th Qtr FY 10	<ul style="list-style-type: none">• Verify the accuracy of the personal property data during the transfer from DPAS to PBUSE (SFFAS #6, SFFAS #3) (Army GE FIP, WBS 3.1.1.1.2.1.6)• Conduct review to verify the accuracy of the personal property data within PBUSE (SFFAS #6, SFFAS #3) (Army GE FIP, WBS 3.1.1.1.2.1.7) Targeted Correction Date: 2Q, FY11	G-4 AAA	<ul style="list-style-type: none">• Complete. PBUSE was fully fielded in 9/2008. Data was transferred from DPAS to PBUSE• Recently added task. ASA(FM&C) will engage AAA to initiate a review of PBUSE data by 4th Qtr FY 10.



*General PP&E - Military Equipment (GF and AWCF)

Description: Military Equipment is not recorded at acquisition or historical cost.

Date	Task Description	OPR	Status
Completed (12/30/2009)	•Re-engineer process to collect ME data at the contract and sub-contract line item level.... (Army ME FIP, WBS 3.13.7)	OSASA(ALT)	•Due to sunset of CAMS-ME, contract line item data will be extracted from BEIS into ME FST per DoD contract structuring guidance.
2 nd Qtr. FY10	•Develop functionality within Financial Statement Tool (FST) to financially report military equipment	OASA(FM&C)	•Requirements specification definition outlining the tool's user functionalities and necessary data elements for reporting has begun. The server housing the ME-FST has been shipped to a third party federal data center, with DoD security accreditation processes to begin.
2 nd Qtr. FY11	•Reconcile Military Equipment data (from CAMS-ME) with Army logistical/ accountability and accounting systems of record (Army ME FIP, WBS 3.11)	AAA	•Exploring mapping of data between CAMS-ME legacy data and PBUSE. AAA has not initiated reconciliation process or provided a revised completion date.
	Targeted Correction Date: 2Q, FY12		



General PP&E - Real Property (GF and AWCf)

Description: Real Property is not recorded at acquisition or historical cost and did not include all costs

needed to bring the assets to a form and location suitable for their intended use.

Date	Task Description	OPR	Status
4 th Qtr. FY12	• Compile source documentation for all capitalized real property. (Army RIP FIP, WBS 3.1.2)	OACSIM	• OACSIM continues to execute the audit readiness handbook in support of improving real property data integrity.
4 th Qtr. FY12	• Implement sustainable business process to report Real Property (Army RP FIP, WBS 3.1.3)	OACSIM	• OACSIM continues to execute the audit readiness handbook in support of improving real property data integrity.
1 st Qtr. FY11	Obtain AAA certification that the system substantially complies with all identified requirements based on the current version of the DFAS Blue Book and JFMIP (Army RP FIP, WBS 3.1.5.10)	ARNG	• ARNG expects to undergo an FFMIA compliance audit during 2010 and currently has a team in place to finish by 12/31/10.
1 st Qtr. FY11	Conduct FFMIA compliance audit on the added system enhancements and provide report on the system compliance status (Army RP FIP, WBS 3.1.5.11)	AAA	• ARNG expects to undergo an FFMIA compliance audit during 2010 and currently has a team in place to finish by 12/31/10.
	Targeted Correction Date: 4Q, FY13		



Environmental Liabilities (GF)

Description: The Army needs improvement in properly estimating and reporting its environmental liabilities.

Date	Task Description	OPR	Status
4 th Qtr FY10	<ul style="list-style-type: none">•Provide Audit Readiness Validation Plan (Army EL FIP, WBS 3.1.6, 3.2.8, 3.3.5, 3.4.7, 3.5.5, 3.6.5, 3.7.5, 3.8.4, 3.11.6, 3.12.8, 3.13.6, 3.14.6, 3.15.4, 3.16.4) Targeted Correction Date: 4Q, FY12	OACSIM	<ul style="list-style-type: none">•AAA has performed attestation efforts for select EL programs. These efforts combined with anticipated validation efforts in FY 2010 will provide input for the audit readiness plans.



Intragovernmental Eliminations (GF and AWCF)

Description: DoD is unable to collect, exchange, and reconcile buyer and seller Intragovernmental transactions, resulting in adjustments that cannot be verified.

Date	Task Description	OPR	Status
4 th Qtr. FY09	<ul style="list-style-type: none">Working with OUSD(C) and BTA to determine feasibility of an OSD enterprise solution	OASA(FM&C)	<ul style="list-style-type: none">FOF is participating in an IVAN pilot effort for level 1 and level 2 transactions. Stakeholders will meet on 11 Aug to discuss an enterprise solution.
1 st Qtr. FY11	<ul style="list-style-type: none">Full operational capability of LMP	AMC	<ul style="list-style-type: none">The implementation schedule for LMP slipped one quarter to accommodate necessary fielding modifications.
1 st Qtr. FY12	<ul style="list-style-type: none">Full operational capability of GFEBS <p>Targeted Correction Date: 1Q, FY12</p>	OASA(FM&C)	<ul style="list-style-type: none">The implementation schedule for GFEBS slipped one quarter to accommodate necessary fielding modifications.



*Accounting Adjustments (GF and AWCF)

Description: DFAS made unsupported journal voucher entries (adjustments) in preparation of the GF and AWCF financial statements. The Army does not possess adequate support for these

adjustments			
Date	Task Description	OPR	Status
Completed (9/30/2009)	•Conduct FFMIA substantial compliance attestation and provide report on the system compliance status for GFEBS Release 1.3(Army Other FIP, WBS 3.6.4.3.5)	AAA	•Final release 1.3 FFMIA audit A-2009-0231-FFM (including recommended corrective actions) was issued 30 September 2009. Report indicated reliable evidence to support 1.3 FFMIA test results. AAA did not observe the movement of data through GFEBS. 14 requirements were pushed to release 1.4.
1 st Qtr. FY11	•Full operational capability of LMP	AMC	• The implementation schedule for LMP slipped one quarter to accommodate necessary fielding modifications.
1 st Qtr. FY12	• Full operational capability of GFEBS	OASA(FM&C)	• The implementation schedule for GFEBS slipped one quarter to accommodate necessary fielding modifications. OASA(FM&C) attended a briefing by GFEBS and obtained an updated FOC date of 12/31/11.
Targeted Correction Date:		1Q, FY12	



Accounts Receivable (GF)

Description: The Army has acknowledged weaknesses in its management of Accounts Receivable. This affects both public and intragovernmental receivables.

Date	Task Description	OPR	Status
4Q FY09 (8/31/2009)	Identify dollar amount and count of receivables in system (DFAS AR Financial Improvement Plan, WBS 1.3.1.2.2.8.1.3.1.1, 1.3.1.2.2.8.1.4.1.1, 1.3.1.2.2.8.1.5.1.1)	DFAS	•Complete. Identification completed by DFAS by 4Q FY09. Only 2 systems were not completed on schedule (STANFINS, SOMARDS)
4Q FY09 (8/31/2009)	Identify types of receivables originating in system (DFAS AR Financial Improvement Plan, WBS 1.3.1.1.2.2.8.1.1.1.2, 1.3.1.2.2.8.1.2.1.2, 1.3.1.2.2.8.1.3.1.2, 1.3.1.2.2.8.1.4.1.2, 1.3.1.2.2.8.1.5.1.2)	DFAS	•Complete. All activities scheduled were completed by DFAS by scheduled completion date.
4Q FY09 (8/31/2009)	Identify Corrective Actions (DFAS AR Financial Improvement Plan, WBS 1.3.1.2.2.8.1.2.1.5, 1.3.1.2.2.8.1.3.5, 1.3.1.2.2.8.1.4.5, 1.3.1.2.2.8.1.5.5)	DFAS	•Complete . Corrective actions for all systems scheduled to be completed by 4Q FY09 with the exception of STANFINS have been identified.
1 st Qtr. FY10	Accurately Record Accounts Receivable due to criminal and civil fraud recovery (Public) (Public) (DFAS AP Financial Improvement Plan, 1.2.9)	TJAG	•MOA was staffed between DFAS, DOJ, OTJAG and CID, but signature by DFAS was delayed due to priority. Task is 84% complete.
Targeted Correction Date: 1Q, FY11			



*Accounts Payable (GF and AWCF)

Description: The Army is unable to properly account for and report Accounts Payable.

Date	Task Description	OPR	Status
1 st Qtr. FY12	• GFEBS release 1.3 to replace Computerized Accounts Payable System (CAPS) (Army Other FIP, WBS 3.6.4.5.7.4)	OASA(FM&C)	• GFEBS release 1.2 subsumed CAPS functionality for current payables. Task was pushed to 12/31/11 to coincide with GFEBS FOC date.
3 rd Qtr. FY09 (4/16/09)	•MOCAS Clean-up activity period 1 (DFAS AP Financial Improvement Plan, WBS 3.6.5.5.1)	DFAS	Complete
3 rd Qtr. FY09 (4/20/09)	•MOCAS Clean-up activity period 2 (DFAS AP Financial Improvement Plan, WBS 3.6.5.5.2) Targeted Correction Date: 1Q, FY13	DFAS	Complete



Statement of Net Cost (AWCF and GF)

Description: The financial information contained in the Statement of Net Cost is not presented by programs that align with major goals and outputs described in the DoD strategic and performance plans required by the GPRA

Date	Task Description	OPR	Status
1 st Qtr. FY11	• Full operational capability of LMP	AMC	•The implementation schedule for LMP slipped one quarter to accommodate necessary fielding modifications
1 st Qtr. FY12	•Full operational capability of GFEBS Targeted Correction Date: 1Q, FY12	OASA(FM&C)	• The implementation schedule for GFEBS slipped one quarter to accommodate necessary fielding modifications



Abnormal Account Balances (GF and WCF)

Description: DFAS Indianapolis did not detect, report, or take action to eliminate abnormal balances included in the Army General Fund and Army Working Capital Fund accounting records.

Date	Task Description	OPR	Status
1 st Qtr. FY11	• Full operational capability of LMP	AMC	• The implementation schedule for LMP slipped one quarter to accommodate necessary fielding modifications
1 st Qtr. FY12	• Full operational capability of GFEBS Targeted Correction Date: 1Q, FY12	OASA(FM&C)	• The implementation schedule for GFEBS slipped one quarter to accommodate necessary fielding modifications



Statement of Budgetary Resources (GF)

Description: The Army accounting systems do not provide or capture data needed for obligations incurred or prior year obligations recovered in accordance with OMB Circular No. A-11.

Date	Task Description	OPR	Status
1 st Qtr. FY10	• Record unobligated balances	DFAS	• DFAS is working on an updated SOP to address this process
1 st Qtr. FY11	• Full operational capability of LMP	AMC	• The implementation schedule for LMP slipped one quarter to accommodate necessary fielding modifications
1 st Qtr. FY12	• Full operational capability of GFEBS Targeted Correction Date: 1Q, FY12	OASA(FM&C)	• The implementation schedule for GFEBS slipped one quarter to accommodate necessary fielding modifications



Reconciliation of Net Cost of Operations to Budget (GF and AWCF)

Description: The Army General Fund and Working Capital Fund are unable to accurately represent the relationship between budgetary obligations incurred and its Statement of Net Costs.

Date	Task Description	OPR	Status
1 st Qtr. FY10	<ul style="list-style-type: none">• Prepare note to the financial statements for adjustments for offsetting charges for current period general PP&E clean-up cost (Army Other FIP, WBS 3.2.1.1.1.13)	OASA(ALT)	<ul style="list-style-type: none">• This task is at risk due to the Army not having a system of record to capture General Equipment clean up costs.
1 st Qtr. FY12	<ul style="list-style-type: none">• Identify all responsibility segments and reportable cost centers within DoD (Army Other FIP, WBS 3.2.1.1.1.4) <p>Targeted Correction Date: 1Q, FY12</p>	OUSD(C)	<ul style="list-style-type: none">• This task relates to SFIS II implementation



What's Next?

Our next SLSG is:

April 22, 2010

1300-1400

Pentagon Conference Center

Room B1

Thank you for your continued
support.